Congress of the United States Washington, VC 20515

February 10, 2023

The Honorable Kathy Hochul Governor of New York State NYS State Capitol Building Albany, NY 12224

Dear Governor Hochul:

We write to you as members of New York's congressional delegation to express our deep concern with your fiscal year 2024 state budget proposal that includes diverting \$1 billion in federal funds intended for our state's counties. Your decision to redirect funding from the Enhanced Federal Medical Assistance Percentage (eFMAP) will leave communities across our state faced with the difficult decision to reduce services and leave local taxpayers with up to \$1 billion in new Medicaid costs.

As you know, FMAP is a vital federal resource providing an important share of funding to support New York State's Medicaid program. Since 2012, our state has received enhanced federal funding under eFMAP which provides almost \$300 million in federal funding for the state's counties, as well as an estimated \$700 million to the City of New York. Since its inception, FMAP's has provided direct support to counties based on their proportional share of spending under the state's Medicaid program. Your decision to divert all \$1 billion of eFMAP money directly into the state's coffers contradicts the long-standing purpose of the program.

For years, FMAP/eFMAP funding has ensured that our counties in New York—a state where Medicaid spending has risen significantly—can meet their obligations without cutting necessary services or forcing New Yorkers to pay even higher taxes. New York's high Medicaid spending is growing at a double-digit rate, with total Medicaid spending having risen 11 percent in fiscal year 2022, and another 11 percent increase expected this year. As Medicaid spending has skyrocketed, your administration has done little to bring much-needed cost-savings and ensure the long-term fiscal health of this safety net program. Your administration must take steps to enhance the efficiency of services while reducing costs. There are ways to achieve this, and we are happy to collaborate with you.

Your decision to divert the necessary local support from eFMAP will force our state's local governments to shoulder the shortfall. This will lead to a reduction in access for the very services that eFMAP is intended to support, leading to harm for the most vulnerable. Other localities could be forced to raise property taxes. It is ironic that—following a State of the State Address where you pledged to make New York state more affordable—you are now pursuing a policy that could ultimately leave New Yorkers with higher taxes, higher costs, and fewer services.

We request a full account of why you have made the decision to alter the use of eFMAP and we urge you to reverse course on a decision that will leave New York taxpayers with as much as \$1 billion in new costs.

Respectfully,

Nick Langworthy Member of Congress

Flin Sufant

Elise M. Stefanik Member of Congress

Michael V. Lawler Member of Congress

Nick LaLota
Member of Congress

Andrew R. Garbarino Member of Congress

Mark

Marcus J. Molinaro Member of Congress

Claudia Tenney Member of Congress

Claudia Tennes

Brandon Williams Member of Congress

Anthony D'Esposito Member of Congress

Nicole Malliotakis Member of Congress